



**Department
of Industry**

MF18/3059

Mr Jeff Norris
Inquiry Secretary
Joint Standing Committee on Trade and Investment Growth
PO Box 6021
CANBERRA ACT 2600

Dear Mr Norris

Joint Standing Committee on Trade and Investment Growth

Thank you for your correspondence of 30 October 2018 offering the opportunity to provide input into the Joint Standing Committee on Trade and Investment Growth's inquiry into Austrade's role in attracting investment in Australia. The Hon Niall Blair MLC, Minister for Primary Industries, Regional Water and Trade and Industry, has asked me to respond to you on his behalf.

Role of Austrade in attracting investment to Australian businesses

The NSW Government-Austrade partnership is long-standing and continues to be constructive in attracting foreign direct investment into the State.

Austrade has a recognised brand, international network and resources to coordinate marketing and promotion campaigns of both national and state projects, initiatives and policies that are relevant to investors.

Specifically, from a NSW perspective, Austrade acts as a:

- Critical overseas facilitator of advice, information, and introductions to the Australian market;
- Lead generator of companies interested to invest in and do business in Australia; and
- Key connector to promote NSW specific opportunities under the auspices of the National Investment Advisory Board framework.

Benefits from Austrade in attracting foreign direct investment

Austrade plays a critical role in promoting Australia's strengths and competitive advantages to potential international investors. It also acts as a central facilitating point for managing a pipeline of international businesses seeking information and guidance on the Australian market, including our regulatory and business environment, as well as key factors to support investment decisions, including issues such as access to customers, access to talent, supporting infrastructure and cost structures.

Given Austrade's unique international network, the NSW government relies upon Austrade to provide support in both identifying and qualifying investment inquiries. In

turn we provide Austrade with state-specific information on industry opportunities, new business precincts, and our pipeline of major projects for promotion to key international organisations.

There is regular collaboration occurring between the NSW investment team and market specialists, and their Austrade counterparts (both on and off shore) to discuss client leads, initiatives, events and opportunities for joint promotion.

Austrade's focus on attracting investment into specific industries, locations and projects is sound. We, like Austrade, agree that we do not focus on attracting investment into individual businesses or companies. Our policy, aligned to Austrade's, is that this specific company investment attraction is best left to the private sector including financial advisors.

NSW's priority sectors are closely aligned with Austrade and include:

- Technology and Services;
- Health, Food & Agribusiness;
- Infrastructure and Advanced Manufacturing;
- Clean Energy and Technology Minerals.

In addition to the sector focus, the NSW Government also has a dedicated Western Sydney Investment Attraction Office to realise investment outcomes agreed to under the *Western Sydney City-Deal Agreement*.

NSW sector and place based key account managers work closely with sector-focused Austrade counterparts to deliver a seamless customer experience from lead generation to investment commitment. The support of Austrade in attracting investment into these priority markets/sectors assists in creating jobs and economic growth in NSW. Between July 2017 and June 2018, foreign direct investment into NSW totalled US\$3.73b, creating significant new employment opportunities and prosperity for our State.

Beyond the foreign direct investment injection, attracting foreign companies to NSW has multiplier benefits such as talent development, capability building, access to new technologies and innovations, and on-shoring global value chains.

NSW also benefits from Austrade's overseas network and global reach which extends beyond our 11 points of presence in 10 international markets. For example, between 1 July 2018 and mid- November 2018, Austrade sent 49 leads (information requests and requests for assistance with investor visits), which represents nearly a fifth of all investment leads into the Department. It is important as a state that we maintain a balanced portfolio of foreign direct investment, both in terms of source countries and diverse industries. This supports our own economic development and prosperity agenda.

Though Austrade's trade promotion activity is beyond the scope of the inquiry, it is important to highlight that NSW Government has a strong relationship with Austrade in relation to export and trade as well, particularly through the delivery of the

Austrade TradeStart contract (delivered by NSW Department of Industry in regional NSW).

Opportunities for Austrade to better help attract foreign direct investment

The following areas are opportunities Austrade could consider to better help attract foreign direct investment:

- Better co-ordination between NSW and Austrade off-shore teams in order to delineate responsibilities when dealing with the same investment opportunity.
- Improved knowledge and information sharing particularly with regard to State priorities and lead qualification
- Forward planning on partnership/collaboration opportunities especially with regard to missions, events and client visits
- A better articulated strategy around aftercare and supporting existing investors in Australia expand their operations in new areas of opportunity, with a focus on innovation, technology and regional centres of excellence.

Overall, the NSW Government is very supportive of the role that Austrade plays to help Australia attract foreign investment and looks forward to continuing the productive partnership and delivering on our mutually aligned economic development objectives.

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Yours sincerely

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Kylie Bell
Executive Director
NSW Industry, Trade & Investment
Date: 29/11/ 2018